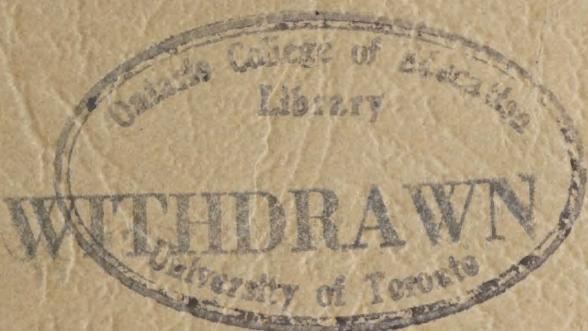


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# Complete Set

## Commercial Diploma Examinations

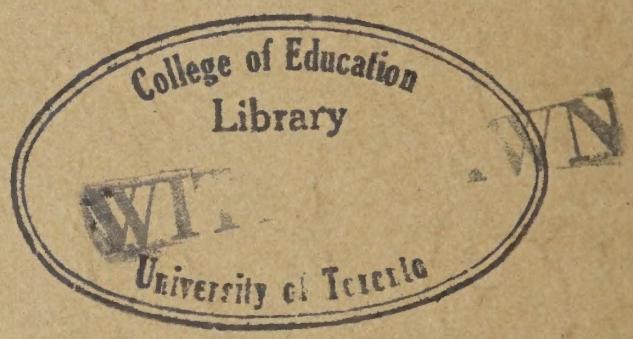


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# Commercial Diploma Examination

JUNE, 1944

## RAPID CALCULATION

Time—30 minutes

INSTRUCTIONS. *Grade IX* do problems 1-6.  
*Grade X* do problems 1-7.  
*Grade XI* do problems 1-8.

VALUES	GRADE IX	GRADE X	GRADE XI
1.	$7 \times 4 = 28$	$7 \times 3 = 21$	$7 \times 3 = 21$
2.	$8 \times 2 = 16$	$8 \times 2 = 16$	$8 \times 1 = 8$
3.	$2 \times 5 = 10$	$4 + 3 = 7$	$4 + 3 = 7$
4.	$4 \times 3 = 12$	$4 \times 2 = 8$	$4 \times 2 = 8$
5.	$12 \times 2 = 24$	$12 \times 2 = 24$	$12 \times 2 = 24$
6.	$5 \times 2 = 10$	$5 \times 2 = 10$	$5 \times 2 = 10$
7.		$7 \times 2 = 14$	$7 \times 2 = 14$
8.			$4 \times 2 = 8$
	<hr/>	<hr/>	<hr/>
	100	100	100

1. Add :

(a)	(b)	(c)	(d)	(e)	(f)	(g)
19	217	82.13	28	$217\frac{1}{2}$	2.5	\$1,937,426.02
73	462	55.90	72	$3\frac{1}{4}$	37.25	86.23
26	983	.07	63	19	8.	9,215.48
83	255	428.19	37	$55\frac{3}{4}$	26.625	166.77
45	107	68.88	81	$62\frac{1}{8}$	9.6	316,211.94
52	613	1.67	19	—	—	—
67	986	14.23	25			
28	127	90.09	75			
81	839	123.47	22			
33	651	7.64	25			
—	—	—	—	—	—	—

[OVER]

2. Multiply :

$$\begin{array}{r} 27 \\ \times 11 \\ \hline 297 \end{array} \quad \begin{array}{r} 16 \\ \times 16 \\ \hline 256 \end{array} \quad \begin{array}{r} 65 \\ \times 15 \\ \hline 325 \end{array} \quad \begin{array}{r} 6.7 \\ \times 10 \\ \hline 67 \end{array} \quad \begin{array}{r} 22 \\ \times 50 \\ \hline 1100 \end{array} \quad \begin{array}{r} 56 \\ \times 2\frac{1}{2} \\ \hline 140 \end{array} \quad \begin{array}{r} 28 \\ \times 4.0 \\ \hline 112 \end{array} \quad \begin{array}{r} 83 \\ \times 87 \\ \hline 7111 \end{array}$$

3. (a) Divide and show the quotient and remainder :

$$368974 \div 475 \quad \text{Quotient :}$$

Remainder :

(b) Multiply : 
$$\begin{array}{r} 63784 \\ \times 678 \\ \hline \end{array}$$

4. Divide and show remainder :

$$3 \underline{| 716346} \quad 12 \underline{| 864390} \quad 13 \underline{| 292.33} \quad 25 \underline{| 1875}$$

5. Indicate your answer :

(a)	(b)
$12\frac{1}{2} \div 5\frac{1}{5} =$	$6\frac{1}{4}\% \text{ of } 704 =$
$9\frac{1}{11}\% \text{ of } 297 =$	$25 \times 692 =$
$\frac{1}{400} \text{ of } \$360 =$	$4\frac{7}{16} - 3\frac{7}{8} =$
$33\frac{1}{3}\% \text{ of } 834 =$	$37.95 \div 11 =$
$\frac{1}{9} \text{ of } 2.16 =$	$\frac{1}{8}\% \text{ of } \$95.65 =$
$\$20 - \$8.33 =$	$316.9 - 25.52 =$

6. Extend :  $.04 \times 50$

$$1.2 \div .3$$

$$.8 \div .04$$

$$.007 \times .6$$

$$.06 \div 200$$

7. Complete the following invoices :

73 articles @ 77c. =	67 articles @ \$1.50 =
20 " @ 90c. =	37 " @ 5.00 =
56 " @ 15c. =	99 " @ .44 =
93 " @ 25c. =	250 " @ .68 =
200 " @ 9 $\frac{1}{4}$ c. =	67 " @ 1.10 =
<hr/>	<hr/>
Total	Total
Less 10% discount	Less 20% discount
<hr/>	<hr/>
Net	Net
<hr/>	<hr/>

8. (a) Find the interest on \$475 for 73 days at  $5\frac{1}{2}\%$  per annum : \_\_\_\_\_
- (b) C. P. is \$36 ; S. P. is \$48. Find the gain per cent of cost : \_\_\_\_\_
- (c) An agent sells 300 barrels of flour at \$3.25 per barrel on a commission of 2%. Find the commission : \_\_\_\_\_
- (d) A father works 40 hours per week for 90c. per hour ; his son works 42 hours for 48c. per hour. Find their combined earnings : \_\_\_\_\_



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# Commercial Diploma Examination

JUNE, 1944

## JUNIOR BUSINESS PRACTICE—GRADE IX

Time—2 hours

(Ruled forms should be supplied or prepared by each student.)

NOTE: *A candidate must answer ALL of Part A and any THREE questions of Part B.*

### PART A

1. You have a savings account, number 265, with the Canadian Bank of Commerce. Your Bank Balance was \$239.45 on May 1, 1944. You made the following transactions during the month of May:

- May 6. You deposited four \$1 bills, three \$2 bills, silver \$2.75.  
13. You gave Harry Thomas a cheque, number 51, for \$24.95.  
16. You received a cheque from James Smith for \$15.85, drawn on the Royal Bank. You deposited this cheque and at the same time deposited six \$1 bills, two \$5 bills and silver \$1.25.  
25. You sent a cheque to Wm. Harris & Co. for \$56.50.  
30. You withdrew \$15.00 cash.

On the forms provided write up the following:

(Value, 9+5+6=20)

- (a) The Bank Pass Book as it would appear on May 30.  
(b) The cheque you gave to Harry Thomas for a suit, \$24.95.  
(c) The deposit slip for the deposit made on May 16.

2. Henry Ross, Grocer, 14 Front Street, posts from counter-slips to his ledger. The following are the May transactions with his customer Roy Black, 85 Simcoe Street, account number B. 64, sheet 4.

May 3, 1944, Balance \$2.50; May 6, sold on account \$3.25; May 9, sold on account \$4.35; May 13, sold on account

[OVER]

\$5.85 ; May 16, paid on account \$15 ; May 20, sold on account \$1.30 ; May 28, sold on account \$2.53 ; May 29, goods returned \$1.30.

Using the form provided write up the personal account of Roy Black as it would appear in Henry Ross' ledger. (Value=11)

3. You are the treasurer for the School Athletic Club. From the business transactions of the club given below, make the necessary entries in the Cash Book. Close the Cash Book on May 31, 1944. (Value=13)

May 1. Balance on hand \$3.50 ; Balance on deposit \$36.75.  
6. Cash receipts from Field Day, \$21.40.  
12. Fees received from 2A, \$5.30 cash.  
18. Deposited \$15.00 cash.  
20. Paid cash for baseball supplies \$5.00.  
27. Paid H. A. Simmons & Co. \$14.60, by cheque.

4. Explain briefly the meaning of any *eight* of the following :

Demurrage, middleman, credit memorandum, invoice, C. O. D., consumer, consignee, counter slip, beneficiary, cash surrender value, outstanding cheque, monopoly, by-product, dividend, Bill of lading, sight draft. (Value=16)

5. Fill in the blanks in the following statements : (Value=10)

- (1) A.....c. stamp is affixed on all cheques over \$100.
- (2) A minor is a person under ..... years of age.
- (3) Lawful money of a country is .....
- (4) The right of members of the government to send mail free of charge is called .....
- (5) When a message is sent collect the ..... pays the cost of sending the message.
- (6) Wireless telegraphy was introduced by ..... in 1901.
- (7) The special delivery fee is ..... in addition to the postage paid.
- (8) Postal Notes may be obtained in amounts up to .....
- (9) The rate for a 1-oz. drop letter is .....
- (10) Fourth class mail refers to .....

## PART B

(Answer any THREE of the following five questions.)

(Value of each question, 10 = 30)

6. (a) What is endorsement ?

(b) Name and Illustrate three kinds of endorsement.

(c) What is a certified cheque and when would it be used ?

7. (a) How often are telephone bills rendered ?

(b) Distinguish between a station-to-station and a person-to-person call.

(c) What is meant by reversing the charges on a call ?

When would this practice be convenient ?

(d) What is a telephone directory ? How often is it issued ?

(e) If you cannot find the desired information in the directory, explain how you would obtain it.

(f) What is a service call and how would you make it ?

8. (a) What is a "Night Letter" and how many words may be sent at the minimum rate ?

(b) What is a Letter of Confirmation and why is it necessary ?

(c) What is a "cable address" and why is it used ?

(d) What is a Cipher Message and why is it used ?

(e) What is a Post Letter Telegram ?

9. (a) What is a passport and where may a Canadian obtain one ?

(b) What is an itinerary ?

(c) What is a "pool train" ?

(d) What is a "commutation ticket" ?

(e) What baggage will be carried, free of charge, on a full-fare railway ticket ?

(f) Distinguish between "table d'hote" and "a la carte".

10. (a) Distinguish between Ordinary Life Insurance and Endowment Insurance.

(b) What are four tests of a good investment ?

(c) Distinguish between a miser and a spendthrift.

(d) What is an Annuity ?

(e) Distinguish between Assets and Liabilities.



# Commercial Diploma Examination

JUNE, 1944

## ARITHMETIC—GRADE X

Time— $2\frac{1}{2}$  hours

NOTE. *Seven questions constitute a full paper.*

### VALUES

- 14      1. (a) If a student writes 55 words in 75 seconds, find his rate in words per minute.  
(b) A car travels 40 rods in 12 seconds. Find the rate in miles per hour.
- 15      2. Complete the following payroll sheet, based on a regular 44-hour week, with time and a half for overtime :

EMPLOYEE	DAYS OF THE WEEK						Hours worked		Rate per hour	WAGES		TOTAL WAGES
	M	T	W	T	F	S	Reg.	Overtime		Reg.	Overtime	
A. Harris	8	7	9	$8\frac{1}{2}$	10	4			70c.			
P. Johnson	6	9	12	10	$7\frac{1}{2}$	5			80c.			
R. Smith	8	8	7	$8\frac{1}{2}$	7	$3\frac{1}{2}$			85c.			
S. Thomas	6	7	7	$6\frac{1}{2}$	8	4			75c.			
												TOTAL

- 15      3. My uncle borrowed \$82.50 from Mr. Black on Feb. 17, 1944, and paid it back, with interest at  $5\frac{1}{2}\%$ , by cheque on June 1, 1944. Find the amount of the cheque.

[OVER]

## VALUES

- 14 4. (a) What number, increased by  $16\frac{2}{3}\%$  of itself, equals 147 ?  
(b) Fire destroyed 6,882 bales of cotton which was  $37\%$  of the cotton stored in a warehouse. How much would be realized if the unburned cotton sold at \$4.52 per bale ?
- 14 5. At what price must an article which is listed at \$40.00, less discounts of  $25\%$ ,  $20\%$ , and  $5\%$  be sold to permit a profit of  $14\%$  on the net cost ?
- 14 6. (a) An agent received \$6,437.50 to buy potatoes. After deducting his commission at  $3\%$ , how much did he invest in potatoes ?  
(b) A commission agent sold corn for \$6,000 ; he charged \$195 commission. Find the rate of commission.
- 14 7. Mason & Rose bought 60 carpet sweepers at \$4.80 each, less  $25\%$ ,  $20\%$ , and  $10\%$ , and sold them at the same price, less  $20\%$ ,  $15\%$ , and  $10\%$ . Find their gain in dollars.
- 14 8. A man bought a house for \$6000. He wishes to rent it at a monthly rate which will pay the taxes at 32 mills on an assessment of \$4500, an insurance premium on a policy for \$4200 at 44c. per \$100, repairs totalling \$53.52 for the year, and which will still leave him a profit of  $6\%$  per annum on his investment of \$6000. Find the monthly rent he should charge.
- 14 9. Mrs. Lawrence selected for her stairs a carpet priced at \$2.25 per linear yard. There are fifteen 7" risers and the treads are ten inches. The carpet is to extend 30" on the lower floor but only 18" on the upper landing. Find the cost of the required material.

# Commercial Diploma Examination

JUNE, 1944

## BOOKKEEPING—GRADE X

Time—2 hours

NOTE. *Ruled paper to be supplied.*

1. Using a Cash Journal with Bank columns, and a General Journal, record all the following transactions:

- June 1. Sam Smith of Galt, Ontario, begins business with : store and lot, \$3,100 ; merchandise, \$2,800 ; furniture and fixtures, \$700.
2. Bought merchandise, \$250, from R. Moore ; terms : 10 days.
  3. Cash sales, \$800.  
Deposited in the bank, \$700.  
Returned to R. Moore goods, \$10, and received a credit invoice.
  4. Paid for cleaning store, cash \$5.
  5. Sold merchandise, \$100, to Ted Harris ; terms : half cash, balance 10-day note ; his cheque and his promissory note were received.
  6. Bought merchandise, \$400, from P. Turner ; terms : half cash, balance 20 days ; we sent him a cheque for \$200.
  8. Sam Smith withdrew for personal use, cash \$10.
  12. Sent cheque to R. Moore for balance owing on invoice of June 2.
  15. A customer returned goods, \$6, for which we refunded his money.
  18. Received a cheque from Ted Harris in payment of his 10-day note due to-day, face value \$50.
  23. Paid freight on purchases by cheque, \$10.
  27. Cash sales, \$670.
  30. Deposit all cash on hand except \$100.

Balance and close the Cash Journal. (DO NOT POST)

[OVER]

2. From the following information taken from Robert Stone's books on Dec. 31, 1943, prepare :

(a) Balance Sheet ;

(b) Trading and Profit and Loss Statement.

Cash, \$2,100 ; Accounts Receivable, \$600 ; Merchandise Inventory on Jan. 1, \$1,400 ; Purchases, \$3,200 ; Sales, \$2,800 ; Real Estate, \$4,000 ; Notes Payable, \$1,500 ; Salaries, \$400 ; General Expenses, \$300 ; Notes Receivable, \$320 ; R. Stone's investment, \$7,620 ; Accounts Payable, \$400 ; Inventory on Dec. 31, \$3,700.

3. From the following information :

(a) set up the accounts in proper form ;

(b) record in the General Journal the closing entries ;

(c) post and rule up the ledger accounts.

Inventory, January 1, 1943	\$1,200
Inventory, December 31, 1943	800
Purchases	2,680
Purchases Returns	120
Sales	4,170
Sales Returns	200
Freight—in	60

4. (a) Write a 60-day promissory note for \$36.80 issued by James Kinney, Brantford, on March 2, 1944. The payee is I. J. Snow. Show the due date.

(b) Give Kinney's journal entry.

(c) Give Snow's journal entry.

5. Walter Bush of Hamilton owes you \$204.60. To-day you drew a 30-day draft on him in your own favour and left it at the Union Bank for collection.

(a) Write this draft and show it accepted ; show the due date.

(b) Give your journal entry.

(c) Give Bush's journal entry.

6. What is meant by : a trial balance ; a special journal ; an endorsement ; folio ; proprietorship ; a ledger.

VALUES : 1. 26 marks ; 2. 22 marks ; 3. 22 marks ; 4. 8 marks ;  
5. 10 marks ; 6. 12 marks.

# Commercial Diploma Examination

JUNE, 1944

## SPELLING—GRADE X

### INSTRUCTIONS:

Dictation time—45 minutes.

Total marks—100. Deduct 3 marks for each error.

In dictating, give the meaning of each word in A or illustrate its meaning by using it in a sentence; re-read all words and sentences before the papers are collected.

### A

Great Britain	bankrupt	mercantile
Mediterranean	fortieth	miscellaneous
organization	height	mortgage
receivable	cancel	readjustment
professional	mental	responsible
disclosed	parallel	directory
outstanding	commodities	harmony
provisional	currency	excess
appreciate	proceeds	schedule
vocational	deficit	renewal
acceptance	efficiency	sundries
accrue	summary	surplus
annuity	financial	voucher
brokerage	journalizing	guardian
coupon	statute	primary
appropriation	trustee	catalogue
cylinder	circular	specimen
arbitration	collision	statistics
detached	expenditure	pamphlet
formula	initial	horizontal

[OVER]

## B

1. The necessity of efficient salvage collection is essential.
2. "The man who said the loudest noise in the world was two skeletons doing a jitterbug on a tin roof during a hail storm has never been to a secondary school event attended by a couple of thousand screaming youngsters." — Toronto daily paper. Sports section for June 15, 1943.
3. Public relations is a business which has grown enormously since the war, principally in the governmental field.
4. Experienced stenographer with full-time position desires clerical work two or three evenings a week. Telephone Elgin 12345.

# Commercial Diploma Examination

JUNE, 1944

## STENOGRAPHY — GRADE X

N. B. Before dictating this paper, the presiding teacher should explain the following conditions carefully to the candidates:

- (1) This examination in stenography consists of two parts, Part A and Part B. Both of these parts are to be written in shorthand from dictation.
- (2) Part A will be marked according to the correctness of the shorthand outlines. No transcript is to be made.
- (3) Part B will be marked according to the correctness of the transcript. The shorthand notes must accompany the transcript.

### PART A

INSTRUCTIONS: Value for each sentence, 10 marks. Deduct one mark for each error in outline, one-half mark for incorrect position. Maximum deduction, one mark for each word. Dictate each of the following sentences once only in one minute. Allow one-half minute interval after each sentence.

1. You will be glad to learn that the new lines to be shown have been favourably received in the northern states.
2. That we have failed to accomplish what we promised we must admit, and we very much regret our failure.
3. The last chapters are now nearing completion, and announcements concerning them will be published in next Saturday's newspapers.
4. According to our understanding at that time, you were to deliver the lighting fixtures about the end of the month.
5. We are afraid it will not be possible to recover the total sum due on your claim unless you adopt different measures.
6. As requested, I am enclosing a detailed report of the market in your class of goods for the latter part of the year.
7. It was evident that his regular and consistent habits of work would finally lead to his promotion.

[OVER]

8. This arrangement for the immediate settlement of your overdue account is quite satisfactory to us for the current month.

9. This publication will tell you in simple language and minute detail the different steps involved in the making of tires.

10. He has few acquaintances or close friends, and they show no willingness to impart any information which may be in their possession.

## PART B

*(Value for each question, 25 marks.)*

INSTRUCTIONS : Read each group of words as indicated, in 15 seconds.

Letters 1 and 2 are to be dictated at 40 w.p.m., letter 3 at 50 w.p.m., and letter 4 at 60 w.p.m. Allow one minute interval after each letter, five minutes for revision of notes, and forty minutes for transcription.

1. Dear Sir :

If you are in the market for stocks / or bonds, we shall be glad to send our representative / to your office with a full price list. All / bond issues have been carefully investigated by our legal department.//

We desire to call your special attention to the care / that we exercise to insure absolute safety to all investors / who make their purchases through us.

Yours very truly, (69)

2. My dear Sir :

We received your letter in which you / ask us to disconnect your telephone for the months of / July and August.

Would you care to try our summer / service plan ? You pay half your regular rate, and calls // may be made from, but not to your home. You / will find this a convenience if you return home during / your holiday.

We suggest that you give this plan a / trial.

Yours truly, (73)

3. Dear Madam :

We have not heard from you in reply to our / letter of June 15. We should be pleased to have you write us / in the near future as to when you can come to see / us. Then we can make our plans accordingly.

We have a number // of desirable positions open now, and can use your services to advantage / if you can qualify.

Yours truly, (68)

4. Dear Mr. Brown :

The tables we have on order for you are now out of / stock, and we do not think it will be possible to make delivery before June / 1. That type of table is not often asked for and it requires about three / weeks to get an order through.

We regret very much the inconvenience to which you // have been put.

Yours truly, (65)

NOTE. If a transcript is made on the typewriter, deduct one mark for each error, but if made in longhand, deduct two marks for each error.

SCORE. Total the marks obtained in Parts A and B, and divide by TWO.



# Commercial Diploma Examination

JUNE, 1944

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## TYPEWRITING—GRADE X

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INSTRUCTIONS: Allow  $1\frac{1}{2}$  hours for this paper, accuracy test included.

In marking questions 1, 2, and 3, deduct 2 marks for each error or careless erasure.

1. Type on the lines of a half sheet of foolscap the advertisement given below. Centre each line.

### W A R   S A V I N G S   S T A M P S

will lighten the way to VICTORY

:—:—:

BOYS AND GIRLS

we

CAN ALL HELP

Help to win this war! By making ourselves  
useful at odd jobs and earning extra cash to buy

W A R   S A V I N G S   S T A M P S

:—:—:

FOUR DOLLARS worth of stamps will bring us FIVE DOLLARS

GOD SAVE THE KING and CANADA OUR HOME

BUY MORE

W A R   S A V I N G S   S T A M P S

(Value = 20)

[OVER]

2. Set up the following statistical table in an attractive manner on a sheet of paper  $8\frac{1}{2}'' \times 5\frac{1}{2}''$ .

### NUMBER OF NATURALIZATION CERTIFICATES ISSUED IN CANADA—YEAR 1940

Chinese .....	2
Czechoslovak .....	459
French .....	187
German .....	477
Italian .....	887
Japanese .....	18
Russian .....	1,771
United States .....	1,782
Yugo-Slav (Serb-Croat-Slovene) .....	382

(Value = 20)

3. Type the following letter on either plain or letterhead paper. Use single space.

Supply current date and initials.

Block address and closing.

Indent 5 for paragraphs.

Mrs. Fred Johnston, 1244 Market Street West, Winnipeg, Manitoba.

Dear Madam :

Our millinery establishment is located at 18-24 John Street, less than a minute's walk from R. Campbell & Son's new store.

Our hats are far above the average in quality and style. Undoubtedly there are many more expensive hats in the market, but none more distinguished looking, or of greater refinement and elegance.

Prices range from \$4.98 to \$20.00, with \$8.00 to \$10.00 hats predominating. To customers of long standing we give a discount of 6%, and open charge accounts upon request.

Visitors are most welcome. Yours truly,

J. R. Douglas & Co., Limited, Manager.

(Value = 20)

(100 words)

4. Speed and Accuracy Test—10 minutes. Marking—Give one mark for every 10 net words typed, less one mark for each error.

(Value = 40)

Strokes

If there is any time when I am hit harder and hurt more than at any other, it is when I learn that I can place but little faith in many things which were told me when a boy. Now and then, of course, it is a matter of little consequence, for the little sense I have sets me right. For instance: I was told when a lad that "the moon was made of green cheese," but I was not deceived. I did not care much for cheese, anyhow, and then again my eyes were as good as those of other people and I could easily see that it was yellow and not green, and they could call it what they pleased for all I cared. And when I was told that there was a pot of gold at the end of the rainbow I had my doubts, because I could see that the bow ended down in our pasture where I did not think there could be any gold, and after I had been down there to look I was sure of it.

These things made a pessimist of me, and at length I got to the point where I found it wise not to believe everything I heard, but it was many a long day before I got over putting my faith in all that I saw in print. It seemed to me that if anyone took the trouble to put a statement in type and then print it, it ought to be proof that it was at least fourteen carat, and might be pure gold. It has been said that the camera cannot lie (we all know better now, since the days of the movies) and I put the same trust in anything I saw in cold type —that is I used to do it, but I do not any more, in fact, I have almost reached the point where it seems to me that the easiest way to tell a lie is to put it in print and broadcast it.

But there is one thing which, to my mind, ought to be reliable, first, last, and all the time, and I think everybody will agree with me, — I mean a text-book. Such books should state facts, and they should be facts on which the shadow of a doubt cannot be cast, facts

[OVER]

that permit no question, but I have found out that such 1916  
is not the case. A little while ago I was taking an 1969  
auto trip over the Arizona desert, and the spirit of 2022  
the great open spaces was strong within me. I felt 2074  
that if anywhere in the world truth could be found it 2128  
was right there in a spot as yet undefiled by man—but 2183  
note how easy it is to be mistaken. 2219

I finally came to a little cluster of houses—not 2269  
enough to call a town, where there was a small store 2322  
which bore an ice cream sign and I stopped right there. 2378  
I asked the girl who served me what was the name of the 2434  
place, and she said it was Patagonia, and I was at once 2490  
interested. I asked her where the seven-foot people 2543  
were, and she told me she did not know of anybody with 2598  
more than two feet—and after I had set her right she 2652  
added that the people were all of normal size, as I 2704  
could see, for they were all in sight at the time. 2755  
It bowled me over, like a ninepin, for when I went to 2809  
school I had a book which told me that “the people in 2863  
Patagonia were mostly seven feet tall, and some of them 2919  
more so.” Right there I made a resolution—it was that 2975  
I would see the men who wrote that book and tell them 3029  
about it, and I did so, but I got no satisfaction at 3082  
all—they seemed to have an idea that I had gotten 3133  
away from my keeper and might be dangerous. 3177

However, I have been taught one lesson. Whenever 3227  
I see, in print, that some infantile phenomenon is 3278  
chewing gum and whacking the machine at or above 200- 3332  
per, I just hark back to the instances I have quoted 3385  
above. It makes no difference if the statement is 3436  
garnished with pictures and backed by affidavits, I 3488  
still have my doubts, and they are strong, too. It is 3543  
something I know a little about, and so I can afford 3596  
to sit back and grin, and think that if such a pheno- 3649  
nemon should chance to run up against a real typist, 3702  
one who had won his spurs in open court, the phenomenon 3758  
would have about as much chance as a snowball in Yuma, 3813  
and that is the hottest place I have been in—as yet. 3867

# Commercial Diploma Examination

JUNE, 1944

## ARITHMETIC—GRADE XI

Time—2 hours

NOTE. *Seven questions constitute a full paper.*

VALUES

15 1. A produce merchant purchased a shipment of potatoes invoiced at \$4800. He sold 60% of the invoice for 70% of the entire cost; 10% of the shipment he sold for \$510; the remainder was sold at a loss of  $12\frac{1}{2}\%$ . Find his gain or loss on the whole transaction.

15 2. \$450. Mytown, Mar. 31, 1943.

Sixty days after sight pay to the order of ..... Sam McLean ..... the sum of Four Hundred and Fifty ..... 00/100 Dollars for value received and charge to the account of  
To H. M. Gaymyn F. W. Hayes.  
Your City

The above draft was accepted on April 5, 1943.

It was discounted at the bank on April 30, 1943, at 6%. Find the proceeds.

14 3. A building worth \$24,000 was insured as follows: Glasso Co. for \$8000; Atlas Co. for \$9000; Bravo Co. for \$3000. If each policy contained an 80% co-insurance clause, find how much each company would have to pay in the event that the building was damaged by fire to the extent of \$7680.

14 4. (a) Find the cost of a bill of exchange for £340 8s. 6d. when £1 sterling is quoted at \$4.48.

(b) The total assessed valuation of real property in a town is \$1,287,400. Budget requirements call for an expenditure of \$60,346.87 $\frac{1}{2}$  for the present fiscal year. Find the mill rate.

[OVER]

VALUES

- 14 5. A sporting goods dealer buys fishing rods for \$6, less  $20\%$  and  $20\%$ , and sells to gain  $16\frac{2}{3}\%$  of the net cost, after allowing the customer a  $20\%$  discount. Find the marked price and the amount of profit realized when he sells fifty of these rods.
- 14 6. A dealer sold two pianos for a total of \$800. On one he gained  $20\%$  and on the other he lost  $20\%$ . If he gained \$40 altogether, what did each piano cost him?
- 14 7. Find his change in income when Harry Foster sells 120 shares of  $4\%$  Gold stock at  $72\frac{1}{4}$  and buys  $3\%$  Chrome stock at  $47\frac{3}{4}$ , brokerage 25c. per share for buying and selling. Find the yield per cent on each stock.
- 14 8. A commission agent received a consignment of flour which he sold for \$6.75 per barrel. The expenses connected with the sale were: commission at  $4\frac{1}{2}\%$ , amounting to \$194.40; insurance charges  $2\frac{1}{2}\%$ ; other charges 28c. per barrel. Find the number of barrels in the consignment and the net proceeds of the sale.
- 14 9. (a) What rate per annum compounded yearly is equivalent to the rate of  $6\%$  per annum compounded quarterly.  
(b) A mortgage for \$3,000 has three years to run and bears interest at  $5\%$ , payable yearly. What price can I afford to pay for this mortgage, if I wish to make  $6\%$  on my investment?

# Commercial Diploma Examination

JUNE, 1944

## BOOKKEEPING—GRADE XI

Time—2 hours

NOTE. *Candidates to be supplied with paper prepared in advance.*

1. (a) Set up the following trial balance as at June 1, 1944 :

Furniture, \$1,000 ; Cash, \$3,000 ; Bills Receivable, \$1,000 ; Accounts Receivable, \$1,000 ; Merchandise, \$5,000 ; Freight—In, \$200 ; Freight—Out, \$100 ; Purchases, \$4,000 ; Sales, \$9,000 ; Returned Sales, \$300 ; Returned Purchases, \$75 ; Discount on Sales, \$180 ; Discount on Purchases, \$80 ; Interest Income, \$45 ; Bad Debts, \$300 ; Reserve for Bad Debts, \$400 ; Reserve for Depreciation on Furniture, \$500 ; L. Lang, Drawing, \$300 ; L. Lang, Capital, \$6,280.

(b) When closing the above ledger on June 1, you have the following information : Interest accrued on Bills Receivable, \$15 ; Rent due but unpaid, \$75 ; Furniture depreciation, 10%.

Show journal entries to adjust the accounts for these three items.

(c) Give two reasons for closing the books periodically.

2. Head up a Cash Book with columns in the following order :

Receipts : Cash, Bank, General, Accounts Receivable, Discount off Sales, Bills Receivable, Interest Income.

Payments : Cash, Bank, General, Accounts Payable, Discount off Purchases, Expense, Interest Expense.

Record the following transactions, close the Cash Journal, and bring down the balances :

- May 15. G. Roberts has a cash balance of \$50 and balance on deposit \$625.50.
18. Paid by cheque J. Davies' invoice of April 29, \$170 less 3%. Paid cash for cleaning store, \$5.25 (expense).

[OVER]

23. Remitted to W. Dick on account a bank draft purchased by cheque for invoice of goods \$375, less discount of 3%. Exchange 45c. (expense). Received cheque in payment of R. Mann's account \$250 less 2%. Received a cheque from O. Dean in payment of his note \$260 with interest of \$1.41. Deposit all cheques, exchange 65c. (expense). Discounted a draft on G. Hoffman for \$170. Discount charges 98c. Collection charges 25c. (expense) proceeds left on deposit. Paid \$2.50 cash for freight charges. Cash sales, \$352.25. Deposit all cash on hand but \$50.
26. Paid salaries by cheque, \$132. Sold W. White goods, \$65, less 2%; received cheque in payment. Sent R. Currie a cheque for \$276.40 in payment of goods bought April 26, terms 3/10 n/30.
29. Prepaid our note in favour of L. Beattie by cheque, face \$360, discount allowed \$2.96. Bank reported 15-day draft on S. Rendall for \$260 has been collected and proceeds less collection charge of 35c. (expense) credited. Paid for telegrams (expense) cash, \$1.40; telephone (expense) cash, \$350. Cash Sales, \$140, deposited.
31. Bank reported sight draft for \$143 on H. Kerr collected and credited less collection charge (expense) 20c. Paid by cheque, note in favour of W. O'Donnell, face \$375, interest \$3.40.

#### SUGGESTED MARKING SCALE

1. (a) 10 ; (b) $3 \times 5 = 15$ ; (c) 5 ;	=	30
2. Transactions, $20 \times 2\frac{1}{2}$	=	50
Correct closing	=	20
		100

# Commercial Diploma Examination

JUNE, 1944

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## BUSINESS CORRESPONDENCE—GRADE XI

Time—2 hours

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### VALUES

- 15 1. Compose sentences, which could be used in business letters, to illustrate the distinction of meaning in the following words: pay, compensate, reimburse; influence, prestige; number, quantity; criticize, censure; personal, personnel; distract, detract; stationary, stationery.
- 15 2. The manager of your firm has asked you to make a précis of the following extract. Reduce it to approximately 150 words.

Man has struggled for many years to rise into the air. People have laughed at moving-pictures of a man who had the supernatural power to rise alone straight into the air and fly through space. While they laughed, they had a little sneaking ashamed thought that was much too silly to express. That little thought suggested: "It would be wonderful if we could do that."

Now, man can rise straight into the air and fly off where he wills, coming straight down again if he so desires. In fact, when part way down he can stop at any point in his descent to look over the place where he had intended to alight or just to think: "Is that the place where I do want to come down?" While thinking, he can hover thus until he decides what he would like to do.

These are unique and very extraordinary manoeuvres but to-day they are quite possible for ordinary people who have gasoline and a helicopter. Of course, private individuals to-day do not have that quantity of gasoline for their own use. However, that is only a temporary situation that will change with the cessation of hostilities. Then, it will not take long to open up a new flying world. (From *Canadian Aviation*, May, 1943.)

[OVER]

VALUES

- 25      3. You are registering with the Principal of your school for summer vacation employment. In sentence form, give all details of your qualifications, previous employment experience, if any, and facts concerning yourself, which would be of value to him and to the National Selective Service Commission in placing you.
- 20      4. You have succeeded in finding work which you enjoy, and you are evidently proving satisfactory. Write a letter of thanks to your Principal who is now away on his vacation. Include any other facts about your work which might interest him.
- 25      5. Order any four articles of wearing apparel from one of the large mail-order houses in Toronto. Give all details, including catalogue number, colour, size and price of each item. State that you are enclosing a money order to cover the cost of the articles.

# Commercial Diploma Examination

JUNE, 1944

## BUSINESS LAW—GRADE XI

Time—2 hours

Maximum score = 120. Reduce to percentage if desired.

### PART I.—True/False Statement Completion Test. (Value, 49)

DIRECTIONS: Some of the following statements are correct and some incorrect. The words in italics are the key words. If the statement reads correctly, place a “C” before it in the space provided. If the statement is incorrect, place an “X” before it, and correct it by writing in the space provided at the end of the statement the correct word or phrase to replace the italicized portion.

EXAMPLE: (a) (C) The *plaintiff* is the party who brings action against another party. (.....)

(b) (X) The highest court of appeal for Canadians is the *Supreme Court of Canada*. (....The judicial committee of the Privy Council in England....)

1. ( ) An acceptance must be communicated *in writing*.  
(.....)
2. ( ) The *offeror* is the party making the offer.  
(.....)
3. ( ) An offer remains open *until accepted*.  
(....)
4. ( ) The acceptance is binding as soon as the letter of acceptance *is received*.  
(.....)
5. ( ) Once an offer is refused, *it cannot thereafter be accepted*.  
(.....)
6. ( ) Revocation of an offer is effective *if the letter of revocation is posted before the offer is accepted*.  
(.....)
7. ( ) A, whose crop has been saved by a neighbour not under contract to do so, then promises to pay his neighbour for his trouble. This contract *is enforceable*.  
(.....)

[OVER]

8. ( ) Statement No. 7 above is an example of *future consideration*.  
(.....)
9. ( ) All *simple* contracts require consideration.  
(.....)
10. ( ) A gratuitous promise is *binding if under seal*.  
(.....)
11. ( ) All simple contracts are *oral*.  
(.....)
12. ( ) The Statute of Frauds requires certain contracts *to be under seal*.  
(.....)
13. ( ) A married man 18 years old is *still a minor*.  
(.....)
14. ( ) An adult is *not bound* on a contract with a minor.  
(.....)
15. ( ) A minor's contract for luxuries is *illegal*.  
(.....)
16. ( ) If A signs an agreement with B knowing that B is of unsound mind, the contract is binding *against A*.  
(.....)
17. ( ) If a minor contracts for necessities, he is liable to pay *the full price charged*.  
(.....)
18. ( ) To threaten a wife with imprisonment of her husband unless she agrees to enter into a certain contract is called *undue influence*.  
(.....)
19. ( ) A mutual mistake, generally, will be sufficient grounds for declaring a contract *void*.  
(.....)
20. ( ) A contract which involves *any restraint in respect to carrying on business is illegal*.  
(.....)
21. ( ) A person may assign *his rights under a contract*.  
(.....)
22. ( ) Substantial performance, though not quite complete, by one party gives the other party the right *to repudiate the contract*.  
(.....)

23. ( ) A cheque payable to "cash" is payable *to order*.  
(.....)
24. ( ) A refusal to accept a negotiable instrument is called *dishonour*.  
(.....)
25. ( ) Debts incurred in Ontario through simple contracts are outlawed *in five years from the date the debt was contracted*.  
(.....)
26. ( ) A cheque dated on Sunday is *illegal*.  
(.....)
27. ( ) *The master may be held liable* if his servant in the course of his duties injures a third party.  
(.....)
28. ( ) The principal is liable to third parties for the fraudulent acts of his agent *no matter what the circumstances are under which they are done*.  
(.....)
29. ( ) If an agent does not disclose to a third party the fact that he is acting for a principal, *only the agent can be held liable*.  
(.....)
30. ( ) A servant is legally entitled *to all wages earned but not paid* when he is dismissed for good cause.  
(.....)

#### PART II.—*Questions requiring brief answers.*

1. State in what courts in Ontario the following cases would be heard : *(Value = 7)*
- (a) a cashier is charged with petty theft of \$10;
  - (b) a dispute concerning a debt of \$110;
  - (c) a charge of Breach of Contract involving \$750;
  - (d) an action for damages amounting to \$450;
  - (e) an appeal from the decision handed down in case (b) above;
  - (f) a suit for damages amounting to \$5000 arising out of an automobile accident;
  - (g) a serious crime where the accused person has elected to be indicted before the grand jury.

[OVER]

2. What is the maximum rate of interest that can be charged on loans made by (a) banks, (b) a money-lending company, (c) yourself ? *(Value=3)*
3. What is the legal rate of interest ? When does it apply ? *(Value=3)*
4. If a person brings an action charging fraud, what should he be able to prove to support his charge ? *(Value=4)*
5. Under what circumstances will specific performance of a contract be enforced by the court ? *(Value=3)*
6. Explain briefly how the Workman's Compensation Act operates to the benefit of both the employer and the employee. *(Value=6)*

### PART III.—*Case Problems.*

1. John, 19 years old, leaves home to find employment and support himself in another city. He becomes involved in the following contracts :
- (a) He arranges for board and lodging at a boarding house at \$10 per week.
  - (b) He buys on the instalment plan an expensive wrist-watch.
  - (c) He buys also on the instalment plan an overcoat which he needs badly.

Because John cannot find work, he owes for two weeks' board and lodging and cannot pay instalments now due on the watch and overcoat. As a result of a letter to his father (in which John did not mention the watch transaction) John's father sent a cheque for \$10 directly to the boarding house proprietor, and a ten-dollar bill to John with instructions to apply it on the overcoat.

Explain the legal rights of each of the three creditors against (i) John, (ii) John's father. *(Value=10)*

2. Mrs. B. promised the trustees of "X" church that she would donate \$2500 with which to pay off a mortgage, if they would obtain subscriptions for the balance of the mortgage. The balance was subscribed, but Mrs. B. refused to pay her subscription. Could the trustees recover on the promise ? Explain. *(Value=5)*

(SEE PAGE 5)

3. A is employed to work in B's store at a salary of \$30 per week. Most of his time is spent in waiting on trade at the counter, but his duties also include helping his employer in illegally dispensing liquor. When A's wages are several weeks in arrears, A considers taking legal action to collect. Would he succeed? Explain. (Value=5)

4. (a) A promissory note for \$1500 was given by B. Low to R. Field as part of a "bootlegging" transaction. Payment of the note was refused at maturity. If Field takes legal action against Low to recover, and the nature of the transaction is disclosed in the court, what would be the court's decision? Give reason for your answer. (Value=5)

(b) Assume in the above case that R. Field had endorsed the note over to G. Grant who knew nothing about the transaction for which it was given.

(i) Write the endorsement in the form of a special endorsement. (Value=2)

(ii) What action should Grant take to protect his interest when payment is refused? (Value=3)

(iii) Would Grant succeed in a legal action to recover on the note? Give reason for your answer. (Value=5)

5. A waitress in a restaurant accidentally spills the contents of a tray over Mrs. X's dress. Mrs. X sues the proprietor of the restaurant for damages. Will she succeed? Explain the legal principle involved. (Value=5)

6. A and B are close friends. During A's absence B, learning that there is to be an acute shortage of coal, takes it upon himself to order 5 tons for his friend B. When B returns, he gratefully accepts A's arrangement on his behalf, and notifies the coal dealer to make delivery. The coal dealer, however, refuses to deliver, claiming that he had learned that B had not given A authority to order for him. What legal principle governs B's rights in this case? (Value=5)



# Commercial Diploma Examination

JUNE, 1944

## ECONOMICS

Time—2 hours

### INSTRUCTIONS :

Grade XI students will answer questions 1 to 6, inclusive, AND question 10.

Grade XII students will answer questions 1, 3, 6, 7, 8, 9, 10.

#### VALUES

- 3 1. (a) What are three drawbacks to barter?  
(b) Why would barter be almost impossible under modern conditions?
- 2 (c) Explain why a debased, subsidiary currency will circulate.
- 2 (d) Why is that creditors do not expect debtors to pay their debts in legal tender money?
- 4 (e) Give one example to show how money serves as a medium of exchange, and also one example to show how it serves as a standard of value.
  
- 4 2. (a) What would be the important results of the stabilization of prices?  
(b) What is an index number of prices? If such a number should stand at 125 for 1943 compared with 100 for 1942, what would it indicate? What argument would this offer to a labour group seeking higher wages?
- 4 (c) What is meant by a standard of living? Is it simply a question of income?  
(d) Distinguish between real and nominal wages.
  
- 2 3. (a) Define market price.  
(b) Describe three important services which are rendered to the consumer by middlemen.
- 4 (c) Explain briefly and illustrate each of the following kinds of credit: public credit, banking credit, commercial credit, and personal credit.
- 3 (d) What is the difference between a financial and a commodity market? Give one example of each.

[OVER]

VALUES

- 4      4. (a) What is elementary utility ? How is it created ? Give two examples.  
4      (b) What is form utility ? Name three types of industry that create it.  
4      (c) Describe briefly at least four factors which determine the localization of industry.
- 6      5. (a) What was the Industrial Revolution ? Briefly contrast manufacturing before and after it, and indicate some problems that have resulted from it.  
5      (b) What is the geographical division of labour ? Give six examples.  
8      (c) Explain carefully four advantages and four disadvantages of specialization in industry.
- 4      6. (a) State two advantages and two disadvantages of a partnership.  
3      (b) State three means by which a corporation can obtain capital.  
8      (c) Compare a co-operative enterprise with a private corporation with respect to : aims, management or operation, and distribution of dividends.
- 2      7. (a) Deposits in chartered banks are usually of two kinds. Explain.  
6      (b) Name and describe the three primary functions of a commercial bank.  
6      (c) What are four powers or functions of the Bank of Canada ?
- 8      8. (a) Name the four periods of a business cycle. Give two characteristics of each period.  
4      (b) Tariffs tend to develop monopolized markets for home producers. Discuss.  
4      (c) Define the principles of "Joint costs". What are its effects on railroading ?
- 3      9. (a) What are the three important aims of a labour union ?  
5      (b) Define : strike, lockout, closed shop, open shop, boycott.  
3      (c) What is the purpose of the Minimum Wage Act ?

VALUES

- 6 (d) What have labour unions achieved for the worker? What effects upon the country as a whole might result from the continued growth of labour unions?
- 12 10. Write a brief essay on *one* of the following:
- (a) The economic wastage of war.
  - (b) Inflation — its causes, effects, and control.
  - (c) Factors in production.
  - (d) Credit and speculation.
  - (e) Principles and Practice of Taxation on Public Finance in Canada.



# Commercial Diploma Examination

JUNE, 1944

## SPELLING—GRADE XI

### INSTRUCTIONS :

Dictation time—45 minutes.

Total marks—100. Deduct 3 marks for each error.

In dictating, give the meaning of each word in A or illustrate its meaning by using it in a sentence ; re-read all words and sentences before the papers are collected.

### A

Niagara	fundamental	confirmation
clientele	bankruptcy	courtesy
compulsory	ninetieth	deteriorate
arbitration	cancel	discrepancy
allegiance	casualty	fraudulent
preliminary	partial	manifold
manuscript	collateral	technique
procedure	perpetual	insolvent
character	specific	temporary
illegal	symbol	lucrative
flourish	consignee	adequate
disease	counterfeit	anthracite
cultural	Saskatchewan	negotiable
commodities	Gibraltar	elegance
actuary	Crete	barriers
accuracy	deferred	inflation
affidavit	chattel	preferential
cumulative	comparative	prospectus
aggregate	reconciliation	primitive
eliminate	nuisance	secondary
appraisal	surety	curiosity
equivalent	copyright	subsidiary
attorneys	depreciate	

[OVER]

## B

1. The theme of the new philosophy of public debt is the conflict between the traditional view that sound fiscal policy requires the holding of a nation's debt to as low a level as possible, and the new unconventional conception that a continuous expansion of public debt is not automatically bad and may be necessary for prosperity and that the size of an internal debt is immaterial.
2. New York, June 15, 1943—Further cashing of profits on the 14-month upswing continued to depress leading stocks in to-day's market.
3. Victory moved the Orillia Orioles into a tie for second in the Beaches Major Baseball League but the Navy can regain the position by beating Army Daggers Wednesday night.
4. Experienced sales superintendent; knowledge of auditing and Spanish essential; excellent references. Apply Employment and Selective Service Offices.

# Commercial Diploma Examination

JUNE, 1944

## STENOGRAPHY—GRADE XI

### PART A

Time—25 minutes

Write the outlines for the following words, short forms, contractions and phrases in the space provided:

- |                                 |                             |
|---------------------------------|-----------------------------|
| 1. accessories .....            | 24. dividend .....          |
| 2. accountant .....             | 25. earnestly .....         |
| 3. advantageous .....           | 26. elimination .....       |
| 4. advertising-department ..... | 27. enthusiasm .....        |
| 5. agency .....                 | 28. executor .....          |
| 6. ambition .....               | 29. frequently .....        |
| 7. approximately .....          | 30. from-time-to-time ..... |
| 8. as-a-matter-of-fact .....    | 31. hesitation .....        |
| 9. ascertain .....              | 32. importance .....        |
| 10. assignment .....            | 33. importing .....         |
| 11. assortment .....            | 34. incorporated .....      |
| 12. at-all-times .....          | 35. indebtedness .....      |
| 13. beneficial .....            | 36. independence .....      |
| 14. campaign .....              | 37. indication .....        |
| 15. clients .....               | 38. international .....     |
| 16. collateral .....            | 39. inventory .....         |
| 17. comparatively .....         | 40. it-will-not-be .....    |
| 18. compensation .....          | 41. majority .....          |
| 19. competitor .....            | 42. maximum .....           |
| 20. confidential .....          | 43. mechanical .....        |
| 21. criticism .....             | 44. mentioned .....         |
| 22. current .....               | 45. in-order-to .....       |
| 23. disappear .....             | 46. moderate .....          |

[OVER]

- |                          |                             |
|--------------------------|-----------------------------|
| 47. negligence .....     | 62. signature .....         |
| 48. occasionally .....   | 63. specialist .....        |
| 49. original .....       | 64. statistics .....        |
| 50. partnership .....    | 65. subscribers .....       |
| 51. patterns .....       | 66. superintendent .....    |
| 52. personality .....    | 67. superior .....          |
| 53. preference .....     | 68. successfully .....      |
| 54. prospectus .....     | 69. temporary .....         |
| 55. prosperity .....     | 70. tenant .....            |
| 56. protection .....     | 71. warehouse .....         |
| 57. not-later-than ..... | 72. warrant .....           |
| 58. recommendation ..... | 73. with-reference-to ..... |
| 59. responsibility ..... | 74. worth-while .....       |
| 60. scientific .....     | 75. your-instructions ..... |
| 61. separate .....       |                             |

**MARKING:** Deduct 2 marks for each word, phrase, contraction, or short form written incorrectly or omitted.

Value 100 marks.

# Commercial Diploma Examination

JUNE, 1944

## STENOGRAPHY—GRADE XI

### PART B

INSTRUCTIONS: For students taking the General Course, dictate the first two letters at 80 words per minute, and the last letter at 70 words per minute. For students taking the Secretarial Course, dictate the first two letters at 100 words per minute, and the last letter at 90 words per minute. Allow a one-minute interval after the dictation of each letter; 5 minutes for the revision of notes, checking spelling with the dictionary, punctuation, etc. Allow 20 minutes for transcription on the typewriter. The words are marked off in groups of ten.

#### 1. Dear Sir:

Your order for leather goods reached us this / morning. We thank you for this substantial order and shall / do our best to fill it to your satisfaction.

You / are no doubt aware that the scarcity of raw materials / in this line has caused buyers much concern. We hope / that this condition will soon be improved, but if there / should be a delay in the shipment of this merchandise, / you will understand the reason for it. However, we expect / that the goods will be in your hands not later / than August 15.

(Value=15)

Yours very truly, (96)

#### 2. Dear Madam:

We are pleased to reply to your inquiry / regarding accommodation at Sunset Lodge.

A glance over the booklet / which we enclose will show some of the the special features / of our camp. It is attractively situated on a very / pretty lake in a district famous for its pine woods. / Our golf course and our tennis courts are in excellent / condition this season. Whether you prefer a boat, a trail, / or a game, we know that we can satisfy you. /

We are sure you would enjoy a holiday at Sunset / Lodge.

(Value=15)

Very truly yours, (94)

[OVER]

3. Dear Sir :

The fifteenth Annual General Meeting of the Shareholders / will beheld in the North Committee Room, Royal Hotel, / Hamilton, on Tuesday, June 27, 1944, at / 3 p.m. The meeting is called for the purpose / of receiving and considering the report of the Directors covering / the operations of the Company for the past year, to / elect Directors for the coming year, and for the transaction / of any other business that may come before the meeting. /

If you are not able to be present in person, / you are entitled to be represented by proxy. A form / is enclosed upon which you may appoint any other shareholder / to vote at the meeting. Shareholders only are eligible to / attend.

(Value=20)

Yours very truly,

(124)

## PART C

INSTRUCTIONS: For students taking General Course, dictate the first letter at 80 words per minute and the second letter at 70 words per minute. In the Secretarial course, dictate the first letter at 100 words per minute and the second at 90 words per minute. Allow a one-minute interval after the first letter and 5 minutes for revision of notes. Allow 30 minutes for transcription on the typewriter. The letters should be set up in an approved style on plain paper or on letterhead.

1. Mr. James J. Crowe,  
846 Front Street,  
Ottawa, Ontario.

Dear Sir :

Your name has been given to us as / one who would be interested in our Book Club.

The / purpose of this club is to provide its members with / good reading material each month. The titles will be chosen / by our selection committee from the outstanding works of the / present and the past. They will constitute a balanced reading / program, and will help you to become more familiar with / the best in English and American literature.

You will find / in the enclosed circular a description of the first month's / selection. Also enclosed is a card with membership certificate attached. / Think it over ; then mail us the card.

(Value=20)

Yours truly,

(110)

2. Mr. F. T. Harris,  
428 King Street West,  
Hamilton, Ontario.

Dear Sir :

We are very pleased to note that you / have purchased one of our new cars. We believe that / the 1944 models are the finest we have ever / built. Certainly we are convinced that they reach a new / level of style, comfort, and economy.

Your new car should / need very little attention, but like every other piece of / fine machinery it will require reasonable care. We suggest that / you have it checked over regularly by an authorized dealer / in order to get from it all the value / that has been built into it.

As the months go by, / we are confident that you will be more and more / pleased with your choice. With us the sale of a / car begins rather than ends the transaction, and we wish / you to feel free to consult us on any matter / relating to your car.

Thank you very much for favouring / us with your business.

(Value = 30)

Yours very truly,

(157)

#### SCALE FOR MARKING TRANSCRIPT

NOTE: Evaluate each question as a unit, and allow a proportion of marks if the last question is unfinished.

#### MAJOR ERRORS

Deduct TWO marks for each of the following :

1. Omission, addition, substitution or transposition of any word or figure (except the articles a, an, or the).
2. Misspelled word (except the transposition of letter, i.e., a typing error).
3. Gross error in punctuation (e.g., incorrect use of the apostrophe, period, question mark, etc.).
4. Incorrect syllabication.

#### MINOR ERRORS

Deduct ONE mark for each of the following :

1. Minor errors in punctuation (e.g., comma, hyphen, etc.).
2. Incorrect use of the articles a, an, or the.
3. Change in number, tense or derivative.
4. Typing error (transposition of letters and incorrect spacing.)
5. Poor erasure.

Penalize according to your own standards for faulty placement or omission of essential details of the letter.



# Commercial Diploma Examination

JUNE, 1944

## TYPEWRITING—GRADE XI

INSTRUCTIONS: Allow  $1\frac{1}{2}$  hours for this paper. Ten minutes extra for speed test.

In marking questions 1, 2, and 3, deduct 2 marks for each error or careless erasure.

1. Mr. F. H. Lawson, Manager, Acme Real Estate Company, Ltd., requests you to type the letter given below on either plain or letterhead paper.

Use single space. *(Value = 20)*

Block address and closing.

Indent 5 for paragraphs.

Mrs. Henry L. Fulton, 23 Market Street West, Winnipeg, Man.

Dear Madam:

Have you just moved? If you have, you know that moving is a real test of anybody's nerves. There is a lot of hard work and worrying to be done.

How *expensive* it is too! It costs \$1.00 here, \$2.00 there—curtains, rugs, and many other things must be bought in addition to the actual cost of the hauling. You spend at least 5% more than you planned.

If you moved from say 37 Peel Street to 68 Beacon Road, did you really better yourself?

You may be living in a better neighbourhood, but you have really gained **NOTHING**—if you are still **PAYING RENT**. The only person who has gained is your new landlord.

**NOW**—deep down in your heart you want a home of your own some day. Why not bring that day nearer? “We Can Help You Do It.”

If you are still renting, the chances are that you do not know just how **EASY** it is to own your own home. We have developed a plan that will enable you to move into your **OWN** home sooner than you might think possible.

It is a brand new plan—a plan that you can start **NOW**—with little or no sacrifice on your part. We have shown that new way to many others, and the grateful letters they have

[OVER]

written us show that they have really been benefited and helped to achieve their ambition.

Will you let us explain it to you, at your convenience, and without obligation on your part? Use the card that is enclosed with this letter. Yours truly,

2. On letter-size paper, using double spacing, centre the following three-column list, using the headings: Name, Street, City. Arrange the names in strictly alphabetical order.

Albert Miller, 605 High Street, Calgary, Alta.

Hudson & Brown, 231 Fourth Avenue, St. John, N.B.

R. M. MacIntosh, 95 Walker Road, Halifax, N.S.

J. B. Judson, 112 Eighth Ave. West, Edmonton, Alta.

The Montreal Star, 1004 St. Catherine St., Montreal, Que.

Sir Isaac Pitman & Sons, Ltd., 381 Church Street, Toronto, Ont.

Great West Life Assurance Co., 235 Market Street, Winnipeg, Man.

A. B. Miller, 116 Beacon Street, Windsor, Ont.

Canada Bread Company, Ltd., Peel and Main Sts., Vancouver, B.C.

F. B. Pratt Co., Limited, 47 Queen Street, Saskatoon, Sask.

R. Miller Bros., Ltd., 891 Bank Street, Ottawa, Ont.

M. St. John, 160 King Street West, Moncton, N.B.

S. L. McKenzie, 65 Weston Road, Hamilton, Ont.

W. T. Judd, 132 King Street West, Sarnia, Ont. (Value = 20)

3. Type on a half sheet of paper the statement given below:

ICE-CREAM PRODUCTION BY PROVINCES

PROVINCE	1939 gal.	1940 gal.	1941 gal.
Prince Edward Island	47,392	50,000	59,000
Nova Scotia	422,379	554,000	787,000
New Brunswick	230,169	334,000	386,000
Quebec	1,599,405	1,842,000	2,041,000
Ontario	3,708,524	4,271,000	4,693,000
Manitoba	418,036	843,000	936,000
Saskatchewan	394,137	550,000	629,000
Alberta	541,564	660,000	864,000
British Columbia	823,020	980,000	1,051,000
 TOTAL FOR CANADA	 8,184,626	 10,084,000	 11,446,000

(Value = 20)

4. Speed and Accuracy Test—10 minutes. Marking—Give four marks for every 50 net words typed, less one mark for each error.

(Value = 40)

Strokes

If there is any time when I am hit harder and hurt more than at any other, it is when I learn that I can place but little faith in many things which were told me when a boy. Now and then, of course, it is a matter of little consequence, for the little sense I have sets me right. For instance: I was told when a lad that "the moon was made of green cheese," but I was not deceived. I did not care much for cheese, anyhow, and then again my eyes were as good as those of other people and I could easily see that it was yellow and not green, and they could call it what they pleased for all I cared. And when I was told that there was a pot of gold at the end of the rainbow I had my doubts, because I could see that the bow ended down in our pasture where I did not think there could be any gold, and after I had been down there to look I was sure of it.

These things made a pessimist of me, and at length I got to the point where I found it wise not to believe everything I heard, but it was many a long day before I got over putting my faith in all that I saw in print. It seemed to me that if anyone took the trouble to put a statement in type and then print it, it ought to be proof that it was at least fourteen carat, and might be pure gold. It has been said that the camera cannot lie (we all know better now, since the days of the movies) and I put the same trust in anything I saw in cold type—that is I used to do it, but I do not any more, in fact, I have almost reached the point where it seems to me that the easiest way to tell a lie is to put it in print and broadcast it.

But there is one thing which, to my mind, ought to be reliable, first, last, and all the time, and I think everybody will agree with me,—I mean a text-book. Such books should state facts, and they should be facts on which the shadow of a doubt cannot be cast, facts

[OVER]

that permit no question, but I have found out that such is not the case. A little while ago I was taking an auto trip over the Arizona desert, and the spirit of the great open spaces was strong within me. I felt that if anywhere in the world truth could be found it was right there in a spot as yet undefiled by man—but note how easy it is to be mistaken. 1916  
1969  
2022  
2074  
2128  
2183  
2219

I finally came to a little cluster of houses—not enough to call a town, where there was a small store which bore an ice cream sign and I stopped right there. I asked the girl who served me what was the name of the place, and she said it was Patagonia, and I was at once interested. I asked her where the seven-foot people were, and she told me she did not know of anybody with more than two feet—and after I had set her right she added that the people were all of normal size, as I could see, for they were all in sight at the time. It bowled me over, like a ninepin, for when I went to school I had a book which told me that “the people in Patagonia were mostly seven feet tall, and some of them more so.” Right there I made a resolution—it was that I would see the men who wrote that book and tell them about it, and I did so, but I got no satisfaction at all—they seemed to have an idea that I had gotten away from my keeper and might be dangerous. 2269  
2322  
2378  
2434  
2490  
2543  
2598  
2652  
2704  
2755  
2809  
2863  
2919  
2975  
3029  
3082  
3133  
3177

However, I have been taught one lesson. Whenever I see, in print, that some infantile phenomenon is chewing gum and whacking the machine at or above 200-per, I just hark back to the instances I have quoted above. It makes no difference if the statement is garnished with pictures and backed by affidavits, I still have my doubts, and they are strong, too. It is something I know a little about, and so I can afford to sit back and grin, and think that if such a phenomenon should chance to run up against a real typist, one who had won his spurs in open court, the phenomenon would have about as much chance as a snowball in Yuma, and that is the hottest place I have been in—as yet. 3227  
3278  
3332  
3385  
3436  
3488  
3543  
3596  
3649  
3702  
3758  
3813  
3867

# Commercial Diploma Examination

JUNE, 1944

## ACCOUNTANCY PRACTICE—GRADE XII

Time — 2 hours

1. (a) Set up a Cash Journal with columns as listed below :

Cash Receipts: Discount off Sales Dr., Accounts Receivable Cr., General Ledger Cr., Bank Charges Dr., Bank Dr.

Cash Payments: Discount off Purchases Cr., Accounts Payable Dr., Expense Dr., General Ledger Dr., Bank Cr.

Enter the following transactions and close the cash journal : (Value=20)

May 1. B. Caldwell continued business with a bank balance of \$2764.13. Issued cheque No. 744 for \$14.50 to James Rose in payment for hauling. Received payment from Lewis Hardware Co., \$16.41, less 2%. Paid invoice of Taber Manufacturing Co., Ltd., \$96.00, less 3%. Deposited receipts, exchange \$0.15.

May 2. Drew a cheque to meet payroll, \$265.00. Gave F. Pudney, cheque in payment of commissions earned by him in April, \$176.43. Received \$12.00 cash from sale of scrap material. M. Brompton paid on account \$117.00, less 2%. Issued cheque to R. Clarke on account, \$124.50, less 4%. Cash sales, \$256.17. Deposited receipts, exchange \$0.25.

May 3. Received cheque for \$24.71 from receiver of Bruce & Winter, who owe us \$123.55, in final settlement of claim. Received cheque from R. Jacobs for \$45.08 in full payment of following invoices :

April 24	\$30.20
25	11.44
30	4.36

Paid \$60.00 for office desk by cheque. Issued cheque to N. Little on account, \$125.00, less 3%. Cash sales, \$197.45. Deposited receipts, exchange \$0.30.

[OVER]

(b) The debit balances of the customers' accounts which were affected by the preceding transactions, on May 1 were as follows:

	Account No.	Debit Balance
M. Broumpton	389	\$217.00
Bruce & Winter	416	123.55
R. Jacobs	511	46.00
Lewis Hardware Co.	158	16.41

Insert these balances in a Sales Ledger and post the entries of the cash journal which should appear in the Accounts Receivable subsidiary ledger. (Value=10)

## 2. KNOX MANUFACTURING CO., LTD.

Partial List of Inventories, Toronto Dec. 31, 1943.

Raw Materials	\$3,057,387
Goods in Process	1,937,663
Finished Goods	4,600,932
* Real Estate Taxes Accrued	56,650
Interest Expense Accrued	57,240
* Depreciation on Plant and Equipment	552,450
Direct Wages Due and Unpaid	35,300
* Insurance unexpired	17,220
Estimated Losses on Bad Debts	60,150
Estimated Federal Taxes	410,200

\* The portion of these items properly chargeable to selling and administration has already been transferred to Selling and Administrative Expense.

Show the necessary adjustments for these inventories in journal entry form. (Value=20)

3. Adams, Baker, and Cowan are partners sharing gains and losses 2/5, 2/5, and 1/5, respectively. Since the business has not been prospering, the members of the firm decide to dissolve partnership. The company's balance sheet taken Dec. 31, 1943, is as follows:

ASSETS		
Cash	\$	700
Accounts Receivable		4,500
Real Estate		7,000
Merchandise Inventory		12,500
		-----
Total Assets		\$24,700

## LIABILITIES AND CAPITAL

Accounts Payable	\$10,000
Bills Payable	2,000
Adam's Capital	5,600
Baker's Capital	4,700
Cowan's Capital	2,400
Total Liabilities and Capital	<u>\$24,700</u>

On dissolution the assets realize: Accounts Receivable \$3,900, Real Estate \$6,100, Merchandise Inventory \$10,000. The realization expenses amounted to \$500.

Show the following accounts properly closed :

- (a) Realization and Liquidation account ; (Value=10)
- (b) Cash account ; (Value=6)
- (c) the three partners' accounts. (Value=9)

4. Enter the following transactions in a General Journal with columns for General Ledger Dr., General Ledger Cr., Accounts Receivable Dr., Accounts Receivable Cr., Accounts Payable Dr., and Accounts Payable Cr. : (Value=5)

May 1. The bank reported R. Moore's note for \$125.15 dishonoured.

May 4. E. Falls & Co., Ltd., sent us a credit note for \$75.60 to cover goods short on their shipment of April 25.

May 7. A cash sale of \$146.55 was entered in error in the Bills Receivable Cr. column of the cash journal.

May 10. C. Anderson & Co., Ltd., prepaid freight on our purchase of May 8, \$23.17.

May 14. Sent a credit note to A. Taylor for \$24.50 for return of damaged goods.

Close the general journal on May 15. (Value=5)

[OVER]

5. The R. MacGeorge Co., Ltd., Ottawa, operates a branch at Smith's Falls, supplying goods at cost. The preclosing trial balances give the following operating accounts and inventories:

	Ottawa	Smith's Falls
Inventories, July 1, 1943	\$ 30,000	\$ 10,000
Purchases	400,000	
Shipments to Branch	90,000	
Sales	425,000	110,000
Inventories, Dec. 31, 1943	90,000	12,000
Shipments from Head Office		90,000
Expenses	21,500	5,500

Draw up profit and loss statements in columnar form showing the result of operating the head office, the branch, and the consolidation of the two stores for the financial period July 1, 1943, to Dec. 31, 1943.

(Value=15)

# Commercial Diploma Examination

JUNE, 1944

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## ACCOUNTANCY THEORY—GRADE XII

Time—2 hours

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### VALUES

- 4 1. (a) "Shareholders are not entitled to inspect the books of accounts of a corporation." How would a shareholder judge the financial position of a company? Why would such a restriction be made?
- 3 (b) What special taxes must a company (incorporated) pay?
- 3 (c) Name three advantages to be derived from the incorporation of a firm.
- 5 (d) Explain what is meant by "6% cumulative preferred capital stock."
2. The directors of the B. Petrie Co., Ltd., resolve on Oct. 1, 1943, to distribute dividends Dec. 1, 1943, in respect of the year to June 30, 1943, as follows:
- (a) a dividend of 5% to be paid on 1,500 Preferred shares of \$100 each;
- (b) a dividend of \$2.50 to be paid on 3200 Common shares of no par value.
- 10 Journalize the appropriation for the dividend and the payment of the dividend.
3. The books of R. Ross & Sons, Ltd., show the following balances on Dec. 31, 1943:
- |                           |          |
|---------------------------|----------|
| Accounts Receivable Dr,   | \$28,000 |
| Reserve for Bad Debts Cr. | 1,200    |
| Bad Debts Dr.             | 1,355    |
- 6 (a) Give journal entries to:
- (i) close the Bad Debts account;
- (ii) set up a reserve of 5% of the Accounts Receivable.

[OVER]

VALUES

- 3 (b) How should the Reserve for Bad Debts be shown on the company's Balance Sheet?
- 4 (c) M. Davis paid his account of \$75.25 on Feb. 12, 1944, which had been written off in the preceding year. Show the journal entry for this transaction.
- 4 4. (a) State briefly what answer you would give to an assertion that selling prices have no connection with costs, and, therefore, that it is useless to gather cost information.
- 3 (b) In your opinion which official of a manufacturing company should have control of the cost department, and why?
- 8 (c) What relation does inventory control bear to production, sales, finance, and profits?
5. The T. Springfield Co., Ltd., incurred organization expenses to the amount of \$15,000. Show how this item would be treated in the account if:
- 3 (a) the company made a large profit for the first year;
- 3 (b) the company's statement of profit and loss showed a net loss for the first year;
- 3 (c) the losses continue through the first three years.
6. "The profit on instalment sales is not earned until the sales price is paid in full."
- 10 Illustrate the significance of this statement using the following material:
- The Hyson Piano Co., Ltd., makes instalment sales amounting to \$20,000 during the year. The gross profit is 50% of the selling price. During the year instalments amounting to \$5,000 were collected.
- 4 What account would be credited with the unpaid portion of the original purchase price at the end of the financial year? Why?

VALUES

- 3      7. (a) What are three objects of an audit ?  
3      (b) Name three groups of original records (vouchers) required for an audit.  
4      (c) What is the difference between a budget and an estimate ?

8. On Jan. 1, 1944, H. Muir & Co., Ltd., consigned to C. Chapman, commission agent, goods invoiced at \$600. The cost of the goods was \$215 and freight, \$52, was paid by the consignor. April 1, 1944, C. Chapman remitted a bank draft for the proceeds accompanied by an Account Sales showing the goods had been sold for \$550. The consignee had paid \$38 insurance, and \$46 cartage. Commission charged amounted to  $2\frac{1}{2}\%$  of the selling price.

- 14      Prepare the Account Sales and show the journal entries that should appear on the books of the consignor.



# Commercial Diploma Examination

JUNE, 1944

## BUSINESS CORRESPONDENCE—GRADE XII

Time—2 hours

### VALUES

- 10 1. You are secretary and stenographer in the office of your local Canadian Red Cross Society. A neighbouring branch of the society has telephoned in to procure sufficient wool for twenty pairs of seamen's socks. This is to complete its quota which is due in two weeks' time. Write the memorandum of this telephone call which will be placed on the president's desk for immediate consideration.
- 12 2. Your school has received a letter of thanks from a mother, in a bombed area of England, who has received from the Canadian Red Cross Society, a baby's layette, made in your school. Write an acknowledgement of the mother's letter and express, on behalf of your school, admiration for the mothers of England. Address Mrs. John Elgin, 90 Victoria Gardens, Wembley, Middlesex, England.
- 4 (b) Address the envelope.
- 25 3. (a) You have had a personal interview regarding a position as stenographer or bookkeeper with a bank of your choice in a neighbouring town. The bank manager has requested you to submit a letter of application for head office. Write the letter.
- 15 (b) Your application has been accepted. The bank telegraphs your appointment, then writes a letter confirming the telegram. Write the confirmation letter.
- 12 4. The Canadian Club of your town has invited you to a formal luncheon party in honour of your member of the provincial parliament. The luncheon is to be held in the dining-room of the largest hotel in your centre. Write your formal acceptance of this invitation.

[OVER]

VALUES

- 10        5. You are a stenographer in the National Steel Car Corporation, 74 Adelaide Street West, Toronto. Write to Malton air-port of the The Trans-Canada Airlines for time-table and price of ticket to Montreal and return.
- 12        (b) You have received this information. Write a letter or telegram making reservations for the manager of your firm.

# Commercial Diploma Examination

JUNE, 1944

## BUSINESS LAW—GRADE XII

Time—2 hours

NOTE. *Maximum score = 100. Candidates will answer Parts A and B, and either Part C or Part D.*

PART A. *Marks = 10 × 2 = 20.*

Explain what you understand by the following :

1. Tenancy in common.
2. Joint tenancy.
3. The wife's right of dower.
4. Easement by prescription.
5. Power of Attorney.
6. Chattel mortgage.
7. Life estate.
8. Gratuitous bailee.
9. Codicil.
10. Foreclosure.

PART B. *Marks = 5 × 6 = 30.*

1. A thief steals a valuable watch necklace and sells it to Mr. Woods who has no knowledge or suspicion of the theft. Later, the true owner claims the watch and insists upon its return without offering to refund the money paid by Mr. Woods. Will the true owner succeed ? Explain.

2. A made an oral agreement with B to buy B's dining room furniture for the sum of \$100. No specific time was set for delivery. When A called to take delivery, he found B had sold the goods to another party. Would you advise A to sue B for breach of contract ? Give fully the reason for your decision.

3. Grant had leased a house for five years. Two years before his lease expired the house was sold and the new purchaser demanded possession of the property. Would Grant have to give possession to the purchaser ? Explain fully.

[OVER]

4. During his occupancy of a store a butcher built racks on the walls for hanging up his meat.

(a) May he remove these when he vacates? Give the point of law involved.

(b) What is the general rule regarding the removal of household fixtures by a vacating tenant?

5. In a lease which provides that the tenant is to repair what protective clause should the tenant have included?

**PART C. Marks =  $10 \times 5 = 50$ .**

In the following situations, state what precautions the parties whose names are in italics should take in order to protect their legal rights and liabilities.

1. *Abbott*, a merchant, is reluctant to sell goods on credit to Barnes, but is persuaded to do so by *Carson*, a friend of Barnes, who says to Abbott, "Sell him the goods and if he doesn't pay I will."

2. Martin has owed *Meanwell* a debt for five years during which no payment has been made.

3. *Rose* made an offer to *Simpson* asking him to reply by registered mail within ten days. Two days later *Rose* telegraphed *Simpson* withdrawing his offer because he had an opportunity of making a much better deal with another party.

4. *Armstrong* has an opportunity of buying at a bargain from a party who is leaving the city a second-hand refrigerator which has been in use only 6 months.

5. *Allen* holds a cheque drawn by *Dornan* payable to *Barclay*. The cheque had been endorsed by *Barclay* to the order of *Gray* who had transferred it by endorsement to *Allen*. *Allen* has just attempted to cash the cheque but the bank refused because the account lacked sufficient funds.

6. *Phillips* is renting property under an agreement in which the landlord has agreed to make necessary repairs. A recent storm has caused the roof to leak badly and *Phillips* has notified the landlord of the condition. Two weeks has elapsed since the notification and *Phillips* now considers having the repairs made himself and deducting the amount from his next payment for rent.

7. A few hours after *Jackson* had shipped goods sold on credit to *Kinney & Co.*, *Jackson* learned that *Kinney & Co.* were bankrupt.

8. *The "X" Co.* has an opportunity to purchase outright the total stock of the "W" Co. who are going out of business.

9. Carter's uncle is about to execute his will in which Carter knows he is named as one of the beneficiaries. A neighbour happens to be present and the uncle suggests that the neighbour and *Carter* sign the will as witnesses.

10. *Lee*, who is a partner in an automobile repair business known as the *Wilson & Lee Repair Shop*, decides to withdraw from the partnership.

#### PART D. *Marks = 5 x 10 = 50.*

1. Compare the legal position of a partner in a firm with that of a shareholder in a limited company in respect to :

- (a) liability for debts incurred by the firm or company in the ordinary course of business ;
- (b) power of the partner to bind the firm and power of the shareholder to bind the company ;
- (c) severing connections with the partnership or company.

2. Distinguish between a private company and a public company.

3. The directors of a company are expected to be responsible for the management of the business. What limits their authority in this respect ?

4. A shareholder holds 100 shares of cumulative participating preferred stock. What peculiar rights does this class of stock give the shareholder ?

5. State the law governing limited liability companies in respect to :

- (a) declaring dividends ;
- (b) acquainting the shareholders with the content of the auditor's report ;
- (c) authorizing a loan of the company's funds to a shareholder ;
- (d) the rights and liabilities of a minor who has purchased shares.



# Commercial Diploma Examination

JUNE, 1944

## OFFICE PRACTICE—GRADE XII

Time—2 hours

NOTE. *Part A* will require the use of a typewriter.  
*Part B* may be answered with pen and ink.

VALUES

### PART A

- 10 1. On letter-sized paper, type the following in more attractive style with heading, subheadings, proper spacing, and tabulation :

**INEXCUSABLE ERRORS IN TRANSCRIPTION**  
In well managed offices, only work of good quality is acceptable. You must not make the following inexcusable errors: *Obvious Errors*: (a) in spelling (b) in grammar (c) "strike-overs" (d) omission of letters, words, or sentences necessary to the meaning (e) typing errors not corrected (f) neglect to make carbon copies when required (g) neglect to make corrections on carbon copies. *Poor Appearance*: Caused by: (a) dirty type (b) worn ribbon (c) inaccurate or careless set-up of letters (d) dirty, creased, or dog-eared paper (e) too many erasures and erasures poorly made. Some of these errors are caused by lack of knowledge or lack of skill and the only remedies are intelligent and persistent study and practice. Other errors are caused by lack of concentration. Fix your attention on your work and exclude from your mind all irrelevant thoughts, and you will make fewer errors, learn much more quickly and thoroughly, and get a great deal more satisfaction in doing your work.

- 10 2. On a form supplied by your teacher, type the May 31, 1944, monthly statement of account for

[OVER]

Mr. Andrew S. Wilson. The following shows how his account appears in the customers' ledger:

NAME: Wilson, Andrew S.	ACCOUNT No.: 162
ADDRESS: 126 St. Paul St.	SHEET No.: 2
: Guelph, Ontario.	RATING: F 3
	CREDIT LIMIT: \$150.00

DATE	MEMO.	FOLIO	DEBIT	CREDIT	DR OR CR	BALANCE
1944						
Apr. 24	Brought Forward				Dr	69 75
27	2% 10, N 30	1193	24 30			94 05
May 3		C 98		44 10		49 95
3	Discount	C 98		90		49 05
15	2% 10, N 30	1546	36 00			85 05
18	Mdse returned	1603		16 50		68 55
20	2% 10, N 30	1676	24 30			92 85
25		C 109		35 28		57 57
25	Discount	C 109		72		56 85

VALUES      3. Type the following names in alphabetic order  
15 showing each name arranged properly for filing:

Miss Ann Findlay, R.N.; A B C Window Cleaners; H. K. Wood & Co. Ltd.; St. James Church; John Satler Inc.; Mrs. Ellen Mullan; Fine Foods of Canada Ltd.; Wm. Eaton; Abar's Island View Hotel; Lewis' Drug Store; W. S. Moncur; City of Windsor, Parks Dept.; Arthur Mullins; Lloyds of London; Eaton-Wilcox-Rich Ltd.; Lewis & Lawton Ltd.; Mullin's Coal Company; William Moncur; City of Windsor, Assessment Dept.; Wood's Hotel; Dr. Jas. A. Young; R. Maurice L'Heureux; Moncur-Waffle Electric Co.; Jim Young; John Wyeth & Bro. (Canada) Ltd.

#### PART B

- 3      4. (a) How should the letters of a correspondent be placed and arranged in his folder?  
 3      (b) How many letters should be received from a new correspondent before giving his correspondence an individual folder?  
 3 + 2 =      (c) Describe the direct-name filing system, mentioning (i) the "cut" and position of the tabs of the guides, of the miscellaneous folders, and of the individual folders, (ii) the arrangement of the folders.

VALUES

- 3+3= 5. What information should a stenographer write on the cover of her shorthand notebook? How should her shorthand notes be arranged and how should the notebook pages be marked for ready reference?
- 6 6. (a) State the postage that is required for each of the following:
- 1 (i) three-quarter ounce first-class letter to someone in your own town or city;
- 1 (ii) a monthly statement of account to someone on a rural route just outside your town or city;
- 2 (iii) a two-ounce first-class letter to Bermuda;
- 1 (iv) twenty identical machine-duplicated letters in separate unsealed envelopes to persons in Canada.
- 5 (b) Write briefly on the topic, "Post Office C.O.D. Service", mentioning why this service is important, what the post office does in giving this service, charges for the service, and maximum amount that may be collected by post office C.O.D. service.
- 2 7. (a) What are the differences between a station-to-station long distance call and a person-to-person long distance call?
- 1 (b) How should a secretary acknowledge a call on her superior's telephone in a company office equipped with a private switchboard?
- 2 (c) What are two reasons why a confirmation letter should be sent after an important telephone conversation?
- 2 8. (a) For what parts of a telegram does a telegraph company charge?
- 3 (b) Compare "Full-Rate Telegram" service with "Night Letter" telegraph service with respect to minimum number of words charged for, delivery, and cost.
- 2 9. (a) Distinguish between "Terms: Cash" and "Terms: C.O.D."
- 2 (b) From what sources may a credit manager obtain information concerning a customer?

[OVER]

VALUES

- 3 (c) What is the extension for the following: 5 doz. "Duro" fuses, No. 1586, less 20% and 10% @ \$3.50? Show your calculation.
- 3 (d) Name six methods used in business to collect customers' accounts.
- 3 10. (a) What are the names and uses of the three copies of a Straight Bill of Lading?
- 2 (b) When is an Order Bill of Lading used instead of a Straight Bill of Lading?
- 4 (c) What words do the three letters of "f. o. b." represent? If the price of an article is quoted as "\$350 f. o. b. Toronto" what costs are included in the \$350 and what costs are not included?

PART C

NOTE. *Candidates will take either question 11 or question 12, but not both.*

11. Write brief answers to the following questions concerning stencil-type duplicators (Gestetner, Mimeograph, Roneo):
- 3 (a) How can the side margins and top and bottom margins be adjusted on pages being "run off"?
- 3 (b) What equipment should be used to draw diagrams consisting of straight lines?
- 3 (c) What is the cause of each of the following: Ink on the back of each page; pages not "feeding" through the machine properly; irregular lines appearing on the copies?
- 3+3 12. Describe the proper fingering and proper operation of *one* of the following machines for addition, subtraction, and multiplication: Comptometer, Burroughs Calculator, Monroe, Marchant, Friden, Burroughs Book-keeping Machine, Remington, Sundstrand.
- +3=9

# Commercial Diploma Examination

JUNE, 1944

## STENOGRAPHY—GRADE XII

**INSTRUCTIONS :** Dictate the letters in Section A at 110 words per minute, and those in Section B at 100 words per minute. Read each group of words as indicated in 15 seconds. Allow 30 seconds for the dictation of the inside address, one minute after each letter, 10 minutes for revision of notes, and 45 minutes for transcription on the typewriter.

The letters should be set up in an approved style on plain paper or simple letterhead.

Dictionaries should be available to students.

### SECTION A

#### I

Mr. Wesley Cole,  
114 Prince Rupert Avenue,  
London, Ontario.

Dear Mr. Cole :

At this, the beginning of the new year, we wish to extend to our shareholders our most sincere wishes for an abundance of prosperity / throughout this year.

It is our unfaltering purpose to continue to give to the public the finest and freshest candies which it is possible to produce from ingredients // chosen from the superlative markets of the world and at a price within the reach of our multitude of friends.

It will be a pleasure to receive /// from our shareholders at any time comments or suggestions which may help to improve, if possible, the standard of excellence which the "Betty Brown Candy Shops" //// have set as their objective at all times.

Again wishing you the compliments of the season and with kind personal regards, I beg to remain,

(Value = 14)

Yours very truly, (128)

[OVER]

## II

Mr. A. Hatter,  
20 Ruskin Ave.,  
Ottawa, Ontario.

Dr. Mr. Hatter:

Enclosed is a credit card for \$10.00. You can use it as a down payment on any article purchased in our store during the / month of August.

We cordially invite you to visit our new showrooms at 84 Sparks Street. We think these rooms are an improvement as they enable us to // display a greater assortment of better quality furniture. A recent shipment from the factory included both bedroom and diningroom suites in either oak or maple. It is /// necessary to see and examine these in order to appreciate their excellent quality.

We feel confident that your relatives or friends would be equally desirable customers. Therefore, /// you may transfer your card to them by endorsing it on the back. We sincerely hope you or they will be in a position to enjoy the substantial / savings offered.

(Value = 17)

Very truly yours,

(143)

## III

Mr. I. H. Burns,  
Prescott, Ontario.

Dear Mr. Burns:

As we have had many pleasant business relations with you in the past ten years, we are writing this letter to remind you that the / Royal Hotel again opens this year on April 15.

We hope you have received a copy of our new reduced rates sent out by our head office to // all our regular summer guests. As these rates are really very moderate, we hope to have the pleasure of receiving your order for the coming season.///

You will remember that it is our great endeavour to make every one of our guests feel at home and to give him every personal attention. It /// does not matter to us whether he is travelling alone or in a party.

Should you have the opportunity of spending your vacation at the Royal Hotel, / we shall be happy to accommodate you and assure you in advance of a hearty welcome.

(Value = 19)

Yours very sincerely,

(157)

## SECTION B

### IV

Barton Meat Market,  
586 Chelsea Avenue,  
London, Ontario.

Gentlemen :

As you have been buying meat from us for many years, you know that our policy at all times is to give our customers // the best possible service. At the same time we try to be fair to our employees.

For some time we have been considering the advisability // of discontinuing the Saturday afternoon delivery in order to give our truck drivers the half day off. With this in mind we asked our salesmen /// to discuss the matter with our customers to see how they felt about it. The reports we have received from them indicate a desire to //// co-operate.

Therefore, commencing Saturday, July 8, we will stop making Saturday afternoon deliveries in all parts of the city. Naturally the Saturday morning shipments will / be heavy, and we seek your further co-operation in placing as many of your Saturday orders as possible for Thursday and Friday delivery.

Our drivers' // wages will not be affected by this arrangement as they are paid a set weekly wage regardless of the number of hours worked. We are /// sure they will show their appreciation of your co-operation by making a special effort to improve their services to you. This, while always important, is //// more than ever so in the rush of summer business.

(Value = 25)

Truly yours,

(212)

### V

John Gordon & Son, Ltd.,  
861 Yonge Street,  
Toronto, Ontario.

Gentlemen :

Attention : General Manager

This is a letter we sincerely wish we were not compelled to send you, but necessity makes us bring our financial / problem to your attention just as dire need forces little patients to our doors.

The reason for our need is very simple indeed. Few people // know that the only ticket of admission required by this

[OVER]

hospital is a child's real need for hospital care and medical attention, regardless of race, /// colour or financial circumstance. We know you people of Toronto want it that way, even though we are forced to come to you every year /// for help.

As explained in the enclosed booklet, it is impossible for this hospital to operate without an annual deficit. For the year ending September / 30, 1942, this amounts to \$83,000.00 So far in response to our appeal, we have received only \$46,000.00.

As we // accept patients from all over Ontario, we are not eligible to receive any share of the money raised for the hospitals of Toronto by the /// annual tag day.

Much or little, any gift you send us will be greatly appreciated and immediately put to work to help those children whose /// parents cannot pay more than a small part of hospital costs.

(Value = 25)

Sincerely yours, (213)

## SCALE FOR MARKING TRANSCRIPT

NOTE: Evaluate each question as a unit, and allow a proportion of marks if the last question is unfinished.

### MAJOR ERRORS

Deduct TWO marks for each of the following:

1. Omission, addition, substitution or transposition of any word or figure (except the articles a, an, or the).
2. Misspelled word (except the transposition of letter, i.e., a typing error).
3. Gross error in punctuation (e.g., incorrect use of the apostrophe, period, question mark, etc.).
4. Incorrect syllabication.

### MINOR ERRORS

Deduct ONE mark for each of the following:

1. Minor errors in punctuation (e.g., comma, hyphen, etc.).
2. Incorrect use of the articles a, an, or the.
3. Change in number, tense or derivative.
4. Typing error (transposition of letters and incorrect spacing.)
5. Poor erasure.

COMMERCIAL DIPLOMA EXAMINATION  
JUNE 1944  
ANSWERS PAPER

Rapid Calculation

- |                  |            |                     |         |
|------------------|------------|---------------------|---------|
| 1. (a) 507       | 2. 297     | 3. (a) Q 776, R 374 |         |
| (b) 5240         | 256        | (b) 43,245,552      |         |
| (c) 872.27       | 975        |                     |         |
| (d) 447          | 67         |                     |         |
| (e) 357 5/8      | 1100       | 4. 238,782          |         |
| (f) 83.975       | 140        | 72032.5             |         |
| (g) 2,263,106.44 | 112        | 22.41               |         |
|                  | 7221       | 75                  |         |
| 5. (a)           | (b)        | 7. 56.21            |         |
| 375/152          | 44         | 100.50              |         |
| 27               | 17300      | 185.00              |         |
| 90               | 9/16       | 43.56               |         |
| 278              | 3.45       | 170.00              |         |
| .24              | 120 or 150 | 13.50               |         |
| 11.67            | 291.38     | 73.70               |         |
|                  |            | 199.96              |         |
|                  |            | -20.00              | 572.76  |
|                  |            | 179.96 (7)          | -114.55 |
|                  |            |                     | 458.21  |

6. 2, 4, 20, .0042, .0003

8. (a) \$5.23, (b) 33 1/3, (c) \$19.50, (d) \$56.16

Grade X Arithmetic

- |                               |                 |
|-------------------------------|-----------------|
| 1. (a) 44                     | (b) 37 1/2      |
| 2. 141.35                     |                 |
| 3. \$82.50 + \$1.31 = \$83.81 |                 |
| 4. (a) 126                    | (b) \$52,965.36 |
| 5. \$22.80                    |                 |
| 6. (a) \$6250.                | (b) 3 1/4%      |
| 7. \$20.73                    |                 |
| 8. \$48.                      |                 |
| 9. \$17.69                    |                 |

Grade XI Arithmetic

- |                                  |                   |
|----------------------------------|-------------------|
| 1. \$330.                        |                   |
| 2. D \$2.81                      | P. \$447.19       |
| 3. G \$3072; A \$3456; B \$1152. |                   |
| 4. (a) \$1525.11                 | (b) 46.9 (approx) |
| 5. P \$32.00                     | M.P. 5.60         |
| 6. \$480; \$280.                 |                   |
| 7. \$240, 5.5 %,                 | 6 + %             |
| 8. 640 barrels;                  | \$3838.40         |
| 9. (a) 6.1364%                   | (b) \$2918.81     |



COMMERCIAL DIPLOMA EXAMINATION

June 1944

BUSINESS LAW--GRADE XII  
Time--2 hours

ANSWERS - Part A

1. Abbott should obtain the promise in writing from Barnes, since he is promising to answer for another's default (Statute of Frauds)
2. Unless Martin can persuade Meanwell to pay something on account, or get from him some acknowledgment of the debt in writing, the debt will be outlawed in another year. (Statute of Limitations)
3. Before Rose considers his revocation effective, he should find out whether or not Simpson had accepted the offer before receiving the revocation.
4. Armstrong should find out whether or not the seller had title to the refrigerator. It is possible that it had been purchased under the Conditional Sales Act. It may be necessary to make enquiry at the local registry office.
5. If Allen wishes to hold the endorsers and drawer liable on the cheque he should notify them of the dishonour within the statutory period.
6. Before having the repairs made himself with the intention of deducting the amount from his rent, he should notify the landlord of his intention.
7. Jackson should exercise his right of "stoppage in transit" before the goods are delivered to Kenney & Co.
8. Before the "X" Co. buys it should:
  - (1) Obtain a written statement verified by affidavit giving the names and addresses of all creditors of the seller with the amount of his indebtedness to each of them.
  - (2) Either obtain from the creditors a written waiver of their rights under the Bulk Sales Act, or put the whole of the purchase money into the hands of a trustee for distribution among the creditors.
9. Carter should realize that if he signs as witness to the will, it will bar him from being a beneficiary under the will. Someone else should be witness.
10. Lee should protect himself from liabilities incurred by the firm, by giving proper notice to the public of his withdrawal. It is important that this notice should be given to persons who have dealt with the firm while Lee was a partner.



ANSWERS - Part B

1. Tenancy in Common. When an estate is held by two or more persons as tenants in common, if one tenant in common dies, his share goes not to the other tenant or tenants in common but to the persons entitled to his property upon his death.
2. Joint Tenancy. A conveyance of devise of an interest in land to two or more persons is a tenancy in common unless the conveyance provides that it is to be a joint tenancy. When one joint tenant dies, his share goes to the surviving tenant or tenants.
3. The wife's right of dower. An estate of dower is that which a surviving wife has during the rest of her life in one-third of the lands to which her husband was entitled in fee simple or fee tail during the marriage.
4. Easement by prescription. An easement by prescription is the right one person may acquire over or with respect to the land of another person through having enjoyed that right over a period of twenty years without interruption and without the consent or agreement of the owner of that land.
5. Power of Attorney. If the appointment of an agent is in writing, and especially if it is of a formal character, it is usually called a power of attorney.
6. Chattel Mortgage. A chattel mortgage is a mortgage on personal goods.
7. Life Estate. A life estate is an estate granted or devised to a person for his life or for the life of some other designated person.
8. Gratuitous bailee. A gratuitous bailee is one who holds a bailment free of charge--without compensation therefore.
9. Codicil. A codicil is a supplement to a will. The same formalities of execution apply to a codicil as apply to a will.
10. Foreclosure. By foreclosure proceedings through the court on default of payment of principal interest and costs, the mortgagee may become the absolute owner of the property subject to the mortgagor's equity of redemption.

ANSWERS - Part C

1. (a) A partner in a firm is liable for the debts of the partnership to the full extent of his personal property. A shareholder in a company is liable only for the value of the shares he holds.
- (b) Generally speaking each partner is regarded as an agent of the firm and the firm is bound by his acts. A shareholder is not an agent of the company, merely by virtue of the fact that he holds shares.
- (c) A partner may sever his connection with his firm to the effect that he is discharged from liabilities of the firm only by an agreement to that effect. A shareholder in a company may give up his rights as shareholder merely by selling his shares to another person.



ANSWERS - Part C (Cont'd)

2. Private companies are restricted as to  
(1) the right to transfer their shares  
(2) number of shareholders - maximum 50  
(3) the right to invite the general public to subscribe for shares.

Public companies are not subject to the above restrictions.

3. As a general rule the directors can do anything which the company is incorporated to do except where statutes or law require the authorization by a general meeting of shareholders or compliance with some other requirement.

4. The holder of cumulative participating preferred stock has the following rights:

- (a) The stock has a certain preference - say as to dividends. This means the preferred stock holders have first claim as to dividends.  
(b) If profits are large enough the preferred stock holder may participate in the profits beyond the rate for which his stock is preferred, according to the provisions under which stock is issued.  
(c) Dividends passed in any year accumulate to the credit of the stockholder.

5. (a) The declaring of a dividend is a matter for the discretion of the directors. Dividends must be paid out of profits not out of capital.

- (b) Every shareholder must be sent a copy of the auditor's report.

- (c) Shareholders may contract with the company the same as any other person. The contract will be valid unless it is ultra vires according to the charter of the company.

- (d) A minor may become a shareholder but his contract for shares is voidable unless he has accepted the benefits of a shareholder.

ANSWERS - Part D

1. The true owner may recover the watch. Woods has no valid title to the watch since he purchased it from a person who has no title to it.

2. A would not succeed in a suit against B, since by the terms of the sale of goods Act, any contract for the sale of personal goods over \$40 in price must be in writing.

3. Grant would not have to give possession provided his lease had been validly drawn and properly registered.

4. (a) Trade fixtures may be removed by the tradesman when he surrenders possession, if he can do so without substantial injury to the building.

- (b) Household fixtures belonging to a vacating tenant may be removed if it can be done without substantial damage to the property, or unless they were affixed with the intention, express or implied, that they were to become part of the property.

5. That "the tenant is to repair, damage from fire storm or tempest excepted".....



COMMERCIAL DIPLOMA EXAMINATIONS

June 1944

BUSINESS LAW--GRADE XI  
Time--2 hours

ANSWERS - Part 1

1. (X) (in the manner indicated or implied in the offer)
2. (C)
3. (X) (according to the terms of the offer or for a reasonable time)
4. (C)
5. (C)
6. (X) (if the letter of revocation is received.....)
7. (X) (is not enforceable)
8. (X) (past consideration)
9. (C)
10. (C)
11. (X) (may be oral, implied, or in writing)
12. (X) (to be in writing)
13. (C)
14. (X) (is bound)
15. (X) (unenforceable)
16. (C)
17. (X) (a reasonable price)  
(v) (duress)
18. (C)
19. (C)
20. (X) (unreasonable restraint.....)
21. (C)
22. (X) (to sue for damages only)
23. (X) (to bearer)
24. (C)
25. (X) (in six years.....)
26. (X) (is not illegal unless the purpose for which it is given is illegal)
27. (C)
28. (X) (if the agent was acting within the scope of his authority  
whether express or implied)
29. (C)
30. (X) (to all wages due but not paid..... He has no claim to  
wages earned but not yet due)

ANSWERS - Part II

1. (a) Police Court  
(b) Division Court  
(c) County Court  
(d) County Court  
(e) Appellate Division of the Supreme Court of Ontario.  
(f) Supreme Court of Ontario, High Court Division.  
(g) Supreme Court of Ontario, High Court Division.
2. (a) The maximum rate is 7% per annum.  
(b) By the Small Loans Act, 2% per month on the unpaid balance.  
(c) Same as a money-lending Company under the Small Loans Act.



BUSINESS LAW -- GRADE XI

ANSWERS - Part II (cont'd)

3. The legal rate is 5% per annum. It applies when interest is payable but no rate is mentioned, or when an illegal rate is charged.
4. (1) A material misrepresentation.  
(2) Intention to cause reliance on the misrepresentation.  
(3) Injury or loss resulting from that reliance.
5. Specific performance will be enforced when damages would not be an adequate remedy.
6. The employer benefits because the Workmen's Compensation bears the cost of Compensation to the employee. The only cost to the employer is the fee paid the Board.  
The employee benefits because he does not need to have recourse to the courts to prove his claim to compensation. Relief is not delayed through court action and his compensation does not depend upon damages assessed by a court.

ANSWERS - Part III

1. (a) Since board and lodging are necessities the boarding house proprietor has an enforceable contract against John. Also since John's father paid his bill directly to the boarding-house proprietor the father is liable for further debts of this kind to the same party.
- (b) The watch, we assume, is a luxury. John's contract is not enforceable. The jeweller, however, may recover the watch by an order of replevin. John's father is under no liability in respect to the watch.
- (c) The overcoat is a necessity; therefore, John is liable. John's father is not liable on this contract since he sent the money to John and not directly to the clothing merchant.
2. The trustees could recover. Under the law of contracts, valid consideration is present since the trustees carried out their promise in respect to obtaining subscriptions for the balance.
3. He would not succeed unless his contract of employment was divisible in respect to how much was due for the legal part of his work, and how much for the illegal part. Since he has participated in an illegal business, he would also be liable to penalties for violating the law in that respect.
4. (a) The court would rule that the note was illegal since it was given for an illegal transaction.
- (b) (1) Pay to the order of G. Grant.  
R. Field.  
(2) Grant should notify the endorser R. Field not later than the next business day after dishonour.



BUSINESS LAW -- GRADE XI

ANSWERS - Part III (cont'd)

4. (b) (3) G. Grant, as a holder in due course, has a legal right to recover on the note.
5. Mrs. "X" will succeed. The employer is liable for damage caused by his servant to third parties while the servant is acting within the scope of his authority.
6. "B" had made A his authorized agent by ratifying A's action after it had been done. If "B" is ready to take delivery and pay the agreed price, the dealer must deliver or be liable for damages for breach of contract.



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Commercial diploma examinations;

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complete set

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**STORAGE**

